



DIRECTORATE OF INTELLIGENCE

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USSR: Early reports on the opening of the Soviet celebration of Lenin's centennial yesterday contained no direct evidence of an imminent shake-up in the Soviet leadership.

Yesterday's session marks the first time in over four months that all the members of the Soviet politburo have appeared together publicly. Brezhnev again held the spotlight, delivering his fourth major televised speech in the past ten days.

His address was a routine but somewhat defensive assessment of the USSR's current situation rather than a theoretical discourse on Leninism. He noted that the Soviet party's 24th Congress "is at hand" and revealed that the long-awaited five-year plan is "nearing completion." His sharp attack on the economic planners, however, injected a partisan note into the festivities. More routine were his warning about the danger of "bourgeois ideology" and his comment that the task of improving living conditions cannot be accomplished "at one go." Brezhnev also reiterated the standard pledge to continue to strengthen the country's armed forces. He gave no indication, however, that the USSR is about to accelerate its defense buildup.

Brezhnev broke no new ground on foreign policy. Speaking of the present condition of world Communism, he warned of the growing dangers posed by nationalism and by "right and left opportunism." Proponents of these deviations came in for firm criticism. Brezhnev reaffirmed Moscow's commitment to disarmament, but on other world issues his remarks were unexceptional.

Except in Yugoslavia, East European observances were held earlier so that the leaders could journey to Moscow. All of them are there except Tito, who sent a lesser man as a mark of his disapproval of

the present Soviet policy toward Yugoslavia. Romania's Ceausescu, prior to going to the USSR, indirectly excoriated the "Brezhnev doctrine," objecting by implication to Moscow's "great power chauvinism and hegemonistic tendencies." Hungary's Kadar was considerably milder but, fighting for his economic reform, he quoted Lenin to the effect that blind imitation of Soviet models could lead to errors. Celebrations were low key in other places, except in East Germany, where the ceremonies took on a special character because party chief Ulbricht is the only surviving Communist leader who met Lenin.

Communist China - USSR: Chinese polemics against Moscow have returned to the harsh level prevailing before the start of the Peking talks last October.

In a lengthy, authoritative joint editorial commemorating the centenary of the birth of Lenin, Peking yesterday leveled a particularly virulent indictment on the domestic and foreign policies of the Soviet leadership. For the first time in six months the Chinese directly blasted the Soviets over the border problem, accusing Moscow of encroaching on Chinese territory and making nuclear threats against China.

The new Chinese attack culminates a series of bitter Chinese denunciations designed to discredit the Soviet leadership on the eve of the widely touted Lenin centenary celebrations. At the same time, it clearly reflects China's unwillingness to remain silent in the face of Moscow's continued sharp attacks against China over the past few months.

In a speech yesterday, Soviet party chief Brezhnev used the occasion of the Lenin centennial in Moscow to charge that China's "nationalistic policy" was
undermining Communist unity. Last week Brezhnev said
that Peking was engaging in activities that diminish
prospects for success at the Peking talks.

This recent upsurge of Sino-Soviet polemics sug-				
fundamental disagreement over border problems contin-				
ues to block any substantial forward movement at the negotiations.				
Meanwhile, chief Soviet negotiator Kuznetsov has returned to Moscow for the centennial. A Soviet official has told Ambassador Beam that Kuznetsov will				
be returning "shortly" to Peking.				

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South Vietnam: President Thieu may resort to a cabinet reshuffle to ease popular criticism of the government s inability to meet the country's pressing economic problems.

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President Thieu has taken the brunt of the criticism over the rising cost of living since austerity taxes were imposed last October. He is extremely frustrated over the government's failure to curb inflation and meet other serious economic problems. He probably would not hesitate to scrap the Khiem cabinet, if he thought that this would help strengthen his political position.

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Communist China: The spring trade fair in progress in Canton is expected to give another boost to growing Chinese trade with the West.

Free world traders at the fair speculate that the Chinese will place large orders for steel, chemicals, metals, and other manufactured goods, following up their expansion of purchases during the past year. Some businessmen also expect that recovery from the Cultural Revolution will make Chinese agricultural and manufactured goods more available than

in 1969.

The spring and fall Canton fairs traditionally provide Peking with a convenient marketplace for Western trade, which accounts for about 80 percent of China's total.

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Austria: The Socialist minority government faces a difficult future and may have to take in a coalition partner in the next several months.

Two seats short of a parliamentary majority as a result of the elections on 1 March, the Socialists tried but failed to construct a coalition with the People's Party. Major stumbling blocks were the allocation of cabinet posts and representation on key parliamentary committees. The two parties also disagreed on housing policy and tax and educational reforms. The People's Party charged, with some justification, that the Socialists demanded more than is warranted by their two-seat margin.

The Socialists must now gain the tacit support of the right-wing Liberals, who have five seats, or of dissident People's Party deputies. The leader of the Liberal Party, which is often accused of being neo-Nazi, has already promised that his deputies will be "completely neutral." The Socialists might promote an electoral reform benefiting the Liberals as the price for informal cooperation. The Socialist government will probably have to forgo, however, pushing ahead with those programs that caused the coalition talks to fail, for these programs are probably just as unpalatable to the Liberals.

Both Chancellor Kreisky and People's Party leader Withalm have hinted that their coalition talks may be reopened in several months. Each side apparently believes that the parliamentary giveand-take in this period will soften the other's position.

Turkey: Prime Minister Demirel may be headed for more trouble in parliament.

The joint parliamentary committee created to investigate alleged financial irregularities by Demirel and his brothers has requested an extension of its mandate. The committee, run by anti-Demirel deputies and senators, apparently wants to dig deeper in the hope of finding enough evidence to support charges of malfeasance.

claims the committee lacks jurisdiction because the charges are already in the courts. The prime minister is suing the newspaper that published the original allegations, but the case may drag on for months. Some of Demirel's erstwhile supporters have come out publicly in support of the committee, claiming that the inquiry must have every opportunity to bring the facts to light. Demirel is irked by their stand and has taken an unusually tough line on the question, which may alienate more of his support within the Justice Party.

In addition to the corruption charge, Demirel is faced with continuing student unrest and economic problems. These, together with some signs of increasing public disenchantment with the prime minister, could lead to a new crisis when the budget comes up for reconsideration in the near future. Although the budget is not automatically a confidence issue, many would regard it as such, especially in view of its earlier rejection.

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South Africa: The ruling National Party will win a comfortable majority in today's parliamentary election.

The major uncertainty is the number of votes, and perhaps seats, that will go to the new ultraconservative party. This group, which split from the National Party last year, divided the usually monolithic Afrikaner community and brought considerable bitterness to the campaign. The split in Afrikaner ranks has caused the other opposition parties, the United and the Progressive, to be optimistic about increasing their representation in parliament.

Nevertheless, most local observers predict that the Nationalists will retain approximately their present number of seats (123 of 166), and will receive about the same percentage of votes as in the last election (59 percent). If so, Prime Minister Vorster, who is facing his first election since becoming prime minister, will have won a tremendous personal victory. On the other hand, if the ultraconservatives pick up a seat or two, or if the opposition parties increase their number of seats, it would be interpreted as a major setback for the Nationalists.

Whatever the outcome, no major changes within South Africa are expected in the near future. All the parties will busy themselves repairing damage in preparation for the provincial elections later this year. These will be a second test for the ultraconservatives, and a good showing then could establish the new party as a real political force.

Trinidad: Prime Minister Williams' position has probably been seriously weakened by recent developments.

Williams' own uncertainty is reflected in his panicky request yesterday for immediate US military assistance to put down a "mutiny" in the defense force. Some 30 to 50 well-armed members of the defense force regiment north of Port of Spain took several officers and civilians as hostages.

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The government had imposed a state of emergency yesterday after nearly two months of frequent black power demonstrations, some of which resulted in violence. Recently there has been growing militancy among labor unions as well. A top labor official as well as several black power leaders are among those under arrest. Despite tightened security, violence and looting broke out in downtown Port of Spain again yesterday.

Williams has been concerned that continued black power activities would lead to serious disorders. He apparently decided not to attend the Caribbean summit meeting in Jamaica last week because of security problems at home. Trinidad has also banned a possible visit by Stokely Carmichael, who has been invited to visit Guyana next month by a black power group there.

Williams' ineptness in controlling the unrest has aroused concern among moderate leaders. Opposition forces, on the other hand, seem convinced that black power themes can continue to be successfully exploited.

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<u>Cuba</u>: Fidel Castro, probably for reasons of domestic policy, has accused the US of sponsoring last Friday's armed infiltration.

He is probably aware that his charge is untrue but may believe that a manufactured threat will serve to revitalize flagging Cuban enthusiasm for domestic programs. For example, the most productive phase of the 1970 sugar harvest is coming to an end, and the ten-million-ton goal is in jeopardy.

Speaking at the nationally televised funeral for the five Cubans killed in action to date, Castro promised that if the participants in the raid did not die fighting, "they are going to die at the hands of the firing squads." Castro also accused the US of plotting against his government and warned that any such attempt would be "stupid and futile."

A Miami-based exile group, Alph	
responsibility for the recent landing	ng.

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 $\underline{\text{El Salvador:}}$  The government is ignoring pressure from other Central American governments and Mexico to stop blocking traffic along the Pan American highway.

The Salvadorans have delayed repairs to a key bridge that was destroyed more than three weeks ago, reportedly on the orders of high-ranking military leaders. El Salvador is trying to dramatize its plight arising from the Honduran blockade of Salvadoran trade that must pass through Honduras. Frustrated by Honduran obduracy on this issue since the war last summer and angered by the lack of concern shown by the other Central American states, the Salvadorans may hope to force their neighbors to urge Honduras to change its policy. Thus far, however, El Salvador has won little sympathy for its cause.

Rigidity on both sides is not only crippling the Central American Common Market but also stale-mating direct negotiations between the two feuding countries. The Hondurans are still insisting on creation of a demilitarized zone along the border as a precondition for resumption of bilateral talks. The Salvadorans, however, have refused to withdraw National Guard troops from the border areas and believe creation of the zone should be discussed at a bilateral meeting.

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\*Colombia: For the second day, General Rojas' followers have taken to the streets in Bogota and other cities to protest the government's delay in announcing the final results of Sunday's presidential election. The growing margin announced in favor of National Front candidate Pastrana—who leads by about 20,000 votes, according to the government—has increased the concern in the Rojas camp that fraud will be used to deny him the presidency. Demonstrations have already taken place in Barranquilla, on the north coast. Although security forces remain in control, if the situation deteriorates further the government is prepared to declare a state of siege.

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<sup>\*</sup>Because of the shortage of time for preparation of this item, the analytic interpretation presented here has been produced by the Central Intelligence Agency without the participation of the Defense Intelligence Agency, Department of Defense.

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